



## NOTICE OF AUTHORIZATION TO PROVIDE AUTOMATED TRADING SERVICES

Pursuant to section 95(2) of the Securities and Futures Ordinance (**SFO**), the Securities and Futures Commission (**Commission**) hereby authorizes Singapore Exchange Securities Trading Limited (**SGX-ST**) to provide automated trading services (**ATS**) in Hong Kong via the SGX REACH trading system subject to the following conditions—

1. SGX-ST may only provide ATS in Hong Kong to those of its members that are corporations licensed by the Commission under Part V of the SFO (unless the Commission agrees in writing otherwise). Additionally, such corporations must not be admitted as members unless SGX-ST has first proactively notified the Commission of its intention to admit them.
2. With a view to limiting the ability of SGX-ST's members in Hong Kong (**Hong Kong members**) to use the SGX REACH trading system to conduct trades in breach of Part IV of the SFO, SGX-ST must put in place such controls and safeguards as the Commission may from time to time agree in writing, taking into account the particular system design and structure of the SGX REACH trading system, and how products may be offered and traded via that system.
3. For the purposes of any inquiry or investigation by the Commission into the conduct of any of SGX-ST's Hong Kong members, SGX-ST must provide the Commission with information relating to trades conducted by that member via the SGX REACH trading system. Such information disclosure can be facilitated by (i) the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions for the purposes of cross-border cooperation, exchange of information and investigatory assistance, to which the regulatory authorities of Hong Kong and Singapore are signatories; and (ii) the Memorandum of Understanding between the Commission and the Monetary Authority of Singapore, signed on 16 January 1997.



4. SGX-ST must notify the Commission of any material change to the matters set out in paragraphs 52 and 62 of the Guidelines for the Regulation of ATS issued by the Commission, and particularly to the matters specified below, prior to the changes taking effect –
  - 4.1. SGX-ST's company structure, any substantial shareholders and, where a substantial shareholder is a corporation, the directors and substantial shareholders of that corporation;
  - 4.2. the SGX REACH trading system (including changes in hardware, software, and other technology);
  - 4.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual responsibilities of SGX-ST's Hong Kong members;
  - 4.4. criteria for admitting persons as Hong Kong members of SGX-ST, or for revoking such membership; and
  - 4.5. markets and products that may be traded via the SGX REACH trading system by SGX-ST's Hong Kong members.
5. SGX-ST must put in place appropriate business continuity plans and disaster recovery programmes for SGX-ST's operation in Hong Kong and notify the Commission of any material change to the plans or programmes.
6. SGX-ST must provide the Commission with the following **monthly** statistics:
  - 6.1. the volume of trades conducted during that month through the SGX REACH trading system, by each of SGX-ST's Hong Kong members, with a breakdown in respect of each product or product class (as agreed by the Commission in writing) traded by that member through the SGX REACH trading system; and



- 6.2. the aggregate volume of trades, in respect of each product or product class (as agreed by the Commission in writing), conducted during that month through the SGX REACH trading system.

Such statistics must be provided within two weeks after the end of the relevant month or within such other period as the Commission may agree in writing. A nil return is required if no trade was conducted in the relevant month.

7. SGX-ST must provide **monthly** reports of the identity and location of its members in Hong Kong as at the end of the relevant month, and such reports must be provided to the Commission within two weeks after the end of the relevant month or within such other period as the Commission may agree in writing.
8. SGX-ST must provide its **annual** audited financial statements to the Commission within four months after the end of each financial year or within such other period as the Commission may agree in writing.

DATED: 16 July 2015